



Missouri Department of Natural Resources Energy Center

MISSOURI ENERGY BULLETIN

April 21, 2005

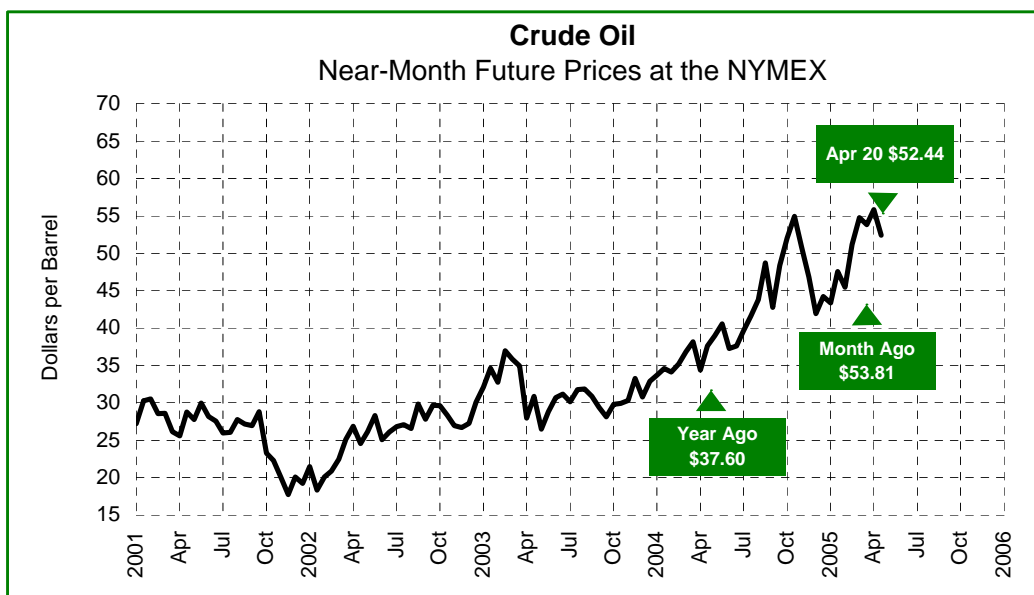
Crude Oil

On April 20, NYMEX crude oil futures settled at \$52.44, a decrease of \$1.37 per barrel compared to last month, but \$14.84 or 39% higher compared to this time last year.

Crude Oil - Near Month Future Prices (dollars per barrel)

	<u>04-20-05</u>	<u>03-23-05</u>	<u>change</u>	<u>04-20-04</u>	<u>change</u>
NYMEX	\$52.44	\$53.81	down 3%	\$37.60	up 39%

- NYMEX futures crude oil prices settled at \$52.44 per barrel on April 20, following a series of price reductions since April 8. NYMEX prices fell from a new record high of \$57.27 on April 1 to nearly \$50 until reversing course this week.
- Demand continues to outpace current production levels creating an outlook of tight supplies throughout the next two years. U.S. inventories of commercial crude oil in storage are higher compared to last year, but there is higher overall global demand for crude oil and petroleum products and a loss of spare production capacity as oil producing nations increase production to meet demand.



- According to EIA's April 8 *Short-Term Energy Outlook*, U.S. crude prices are projected to remain above \$50 per barrel for the rest of 2005 and 2006. As long as global demand continues to grow at 2 million barrels per day or more without a comparable increase in crude oil production capacity, there

is little reason to expect a sustained fall in crude oil and petroleum product prices. Until demand growth slows dramatically or supply capacity grows significantly more than seen in recent years, it is unlikely that crude oil prices will fall substantially below \$50 per barrel for any significant period of time.

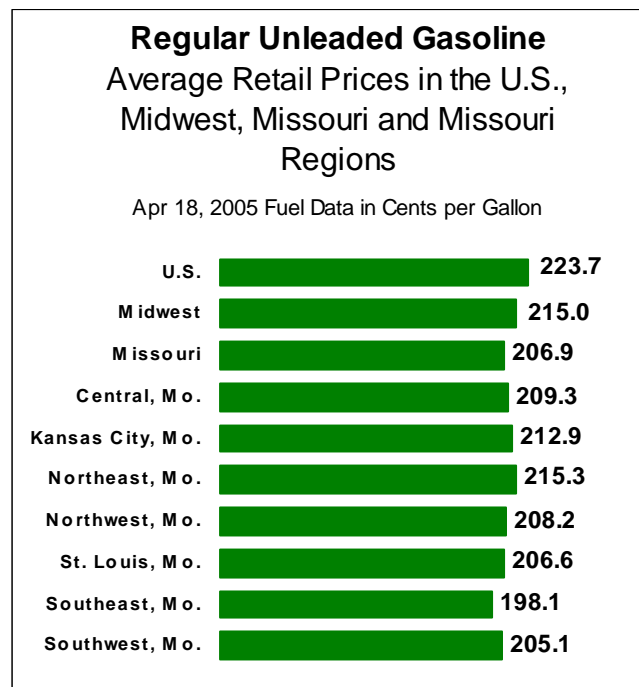
Transportation Fuels

Missouri's average retail price for regular unleaded gasoline increased \$0.05 per gallon from the previous month to reach \$2.07 per gallon on April 18, \$0.10 below the \$2.17 per gallon record set on April 4.

<i>Regular Unleaded Gasoline - Retail Prices (cents per gallon)</i>					
	<u>04-18-05</u>	<u>03-21-05</u>	<u>change</u>	<u>04-19-04</u>	<u>change</u>
US	223.7	210.9	up 6%	181.3	up 23%
Missouri	206.9	202.0	up 2%	170.0	up 22%

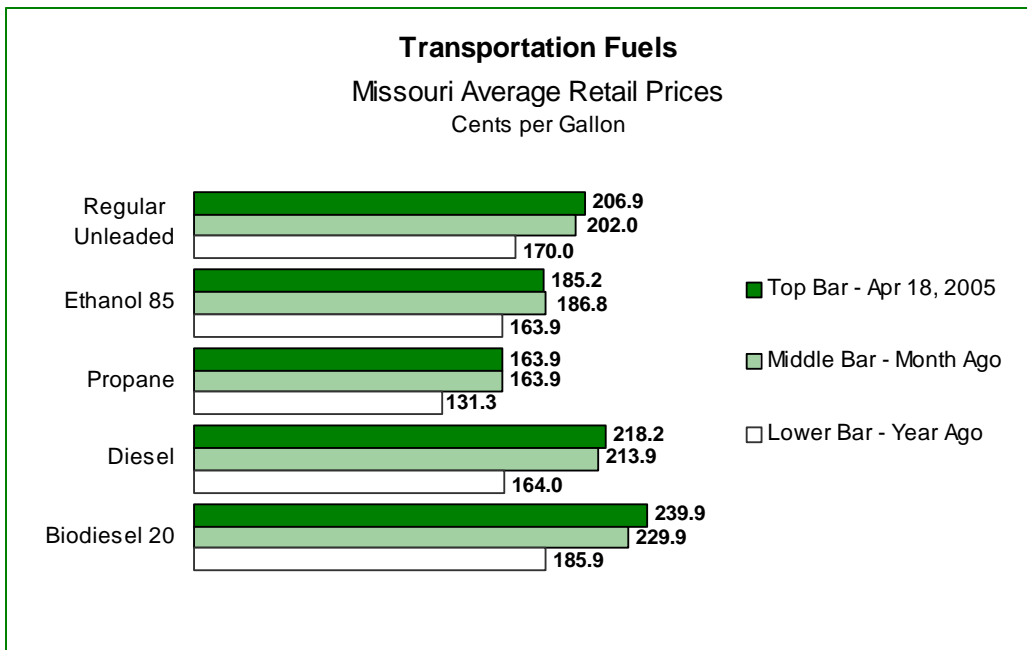
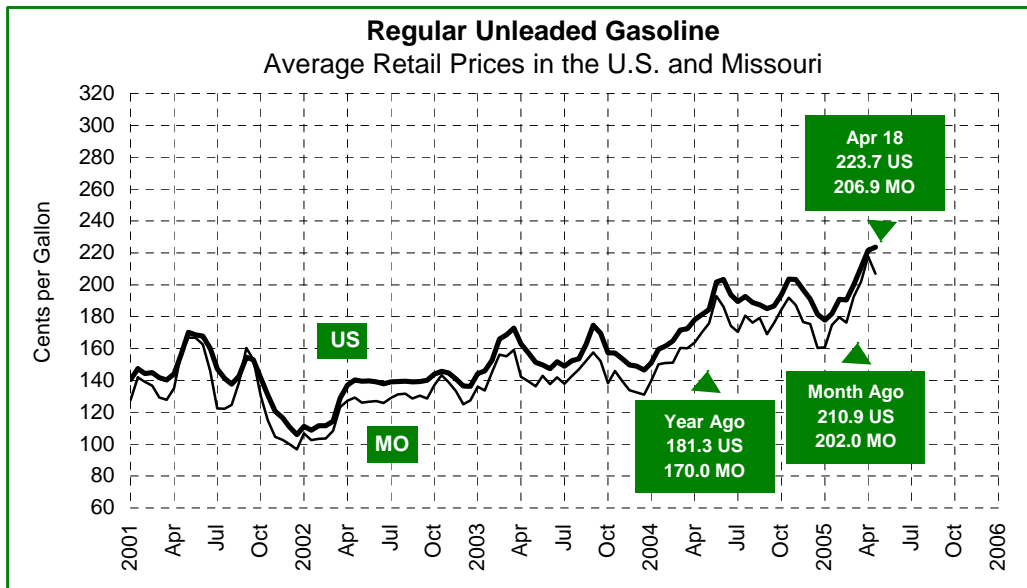
<i>Diesel Fuel - Retail Prices (cents per gallon)</i>					
	<u>04-18-05</u>	<u>03-21-05</u>	<u>change</u>	<u>04-19-04</u>	<u>change</u>
Missouri	218.2	213.9	up 2%	164.0	up 33%

- Since April 11, retail gasoline prices in Missouri have decreased. On April 18, Missouri's average retail price for regular unleaded gasoline was reported at \$2.07 per gallon, an increase of \$0.05 from last month, but \$0.10 per gallon lower than the \$2.17 per gallon record set on April 4. U.S. prices continue to trend higher at \$2.24 per gallon, the highest average price ever recorded by EIA (not adjusted for inflation).



- U.S. retail diesel fuel prices lost 5.7 cents last week to 225.9 cents per gallon. The current Missouri average retail diesel price was \$2.18, an increase of 33 percent from this time last year.
- According to the EIA, U.S. gasoline prices in 2005 are projected to remain high, at an expected

average of \$2.28 per gallon for the April to September summer season, 38 cents above last summer. Similarly, high motor gasoline prices are expected through 2006. Monthly average prices are projected to peak at about \$2.35 per gallon in May. U.S. average retail gasoline prices are expected to remain above \$2 per gallon on a monthly basis through 2006.



Motor Gasoline - Total Stocks (millions of barrels)					
	04-15-05	03-18-05	change	04-16-04	change
US	211.6	217.3	down 3%	199.1	up 6%

- U.S. gasoline stocks for the week ending April 1 fell 1.5 million barrels from the prior week to 211.6 million barrels but remains above the 5-year average range. This is 12.5 million barrels higher than this time last year. U.S. gasoline imports the week ending April 1 were 1.09 million barrels per day compared to 1.3 million barrels per day imported for the same period last year.

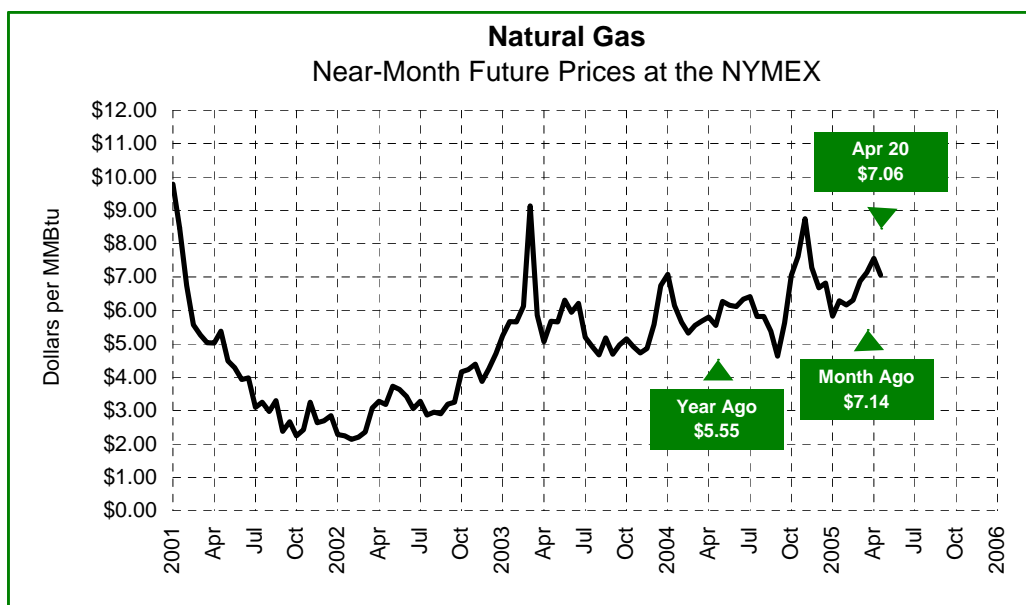
Natural Gas

Approximately 56 percent (1,261,397) of Missouri households use natural gas to heat their homes. Natural gas is also used to produce goods and electricity.

On April 20, natural gas futures closed at \$7.06 per MMBtu, a decrease of \$0.08 since last month and \$1.51 or 27% higher than this time last year.

Natural Gas - Near Month Future Prices (dollars per mmbtu)					
	<u>04-20-05</u>	<u>03-23-05</u>	<u>change</u>	<u>04-20-04</u>	<u>change</u>
NYMEX	\$7.06	\$7.14	down 1%	\$5.55	up 27%

- Most market locations experienced relatively small net changes in spot prices for the week, reflecting predominantly moderate temperatures that likely suppressed space heating demand in consuming markets. Overall, spot prices varied less than 2 percent in either direction at all locations in the Lower 48 for the week. Similar to the spot price at the Henry Hub, the May futures contract price dropped below the \$7.00 mark briefly last week before increasing again. With less than one week until the May 2005 contract expires on April 27, the price is \$1.122 above, or 19 percent above, the May 2004 contract price.
- As of Friday, April 15, 2005, natural gas in storage was 1,343 Bcf or 28.4 percent above the 5-year average of 1,046 Bcf. The implied net injection during the report week was 50 Bcf, more than double the 5-year average net addition of 23 Bcf for the week and almost twice the 26 Bcf injection reported for the same week last year. Warmer-than-normal temperatures during the week ended April 14 contributed to the higher-than-average rate of injection as temperatures across the country were more than 18 percent warmer than normal, and about 22 percent warmer than last year.



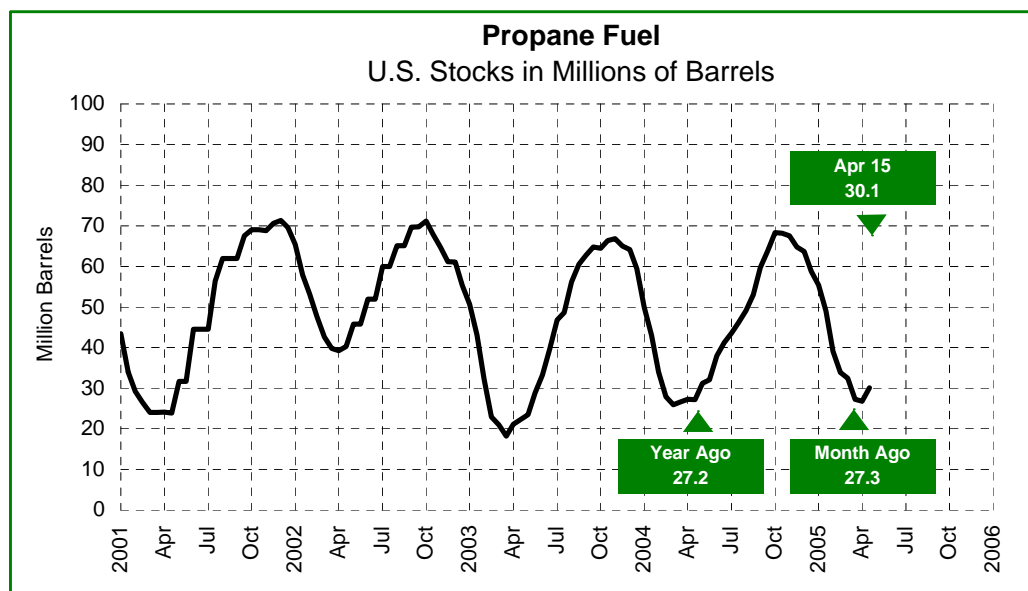
Propane

Approximately 13 percent (293,803) of Missouri households heat with propane, which is also used to support commercial operations, produce goods, dry grain harvests and fuel vehicles.

Missouri's average retail propane price was \$1.48 per gallon on April 18, down \$0.04 from a month ago and \$0.28 or 24 percent higher than a year ago.

<i>Propane - Residential Prices (cents per gallon)</i>					
	<u>04-18-05</u>	<u>03-21-05</u>	<u>change</u>	<u>04-19-04</u>	<u>change</u>
Missouri	147.7	148.1	down 1%	119.4	up 24%

- U.S. propane supplies increased by 2.3 million barrels, to 30.1 million barrels as of April 15, 2005. As of mid-April, U.S. propane supplies have grown by 3.3 million barrels to primary inventories, a level accounting for more than 80 percent of the 5-year average volume of 4.0 million barrels for this month. Moreover, U.S. inventories of propane continue on a path near the middle of the average range for this time of year. Regional builds were reported across all of the major areas with the Midwest posting the largest weekly gain that totaled 1.5 million barrels. Midwest supplies currently stand at 10 million barrels.



The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.

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